

INSTRUCTIONS

CONSTRUCTION PROJECT AGREEMENT PACKAGE

Scope: *These instructions are intended for contractors and their subcontractors performing **trades and labor work** under the Construction Project Agreement at a new or existing plant site directly related to the **construction** of new generating capacity or transmission construction.*

I. GENERAL PROVISIONS THAT APPLY TO ALL CONTRACTORS AND THEIR SUBCONTRACTORS

- **Weekly Statement of Payroll Compliance**

All contractors and their subcontractors are required to complete and submit a Weekly Statement of Payroll Compliance (form TVA 916). This form must be submitted weekly, without exception, in compliance with Part 3 (29 CFR Subtitle A). Each contractor and subcontractor is reminded, as required by the above CFR, to preserve this weekly statement, along with payroll records for a period of three years from the date of completion of this contract. The contractor and subcontractor are reminded that they must be prepared to submit these payroll records upon request of representatives of TVA.

- **Contractor Security System**

Contractors are required to check **all** of their employees and **all** employees of their subcontractors, regardless of position or classification, with TVA's security unit before permitting them to work on TVA worksites. This requirement is limited to contracts expected to last more than seven days. The Registration Form in this package is used to initiate the assignment of a vendor code and PIN to access the system.

Upon accepting a contractor employee for unescorted access, TVA may provide a site ID, photo ID card, and/or an access control card for the individual. All ID and access cards remain TVA property and each must be returned to TVA by the Contractor immediately when the contractor employee no longer requires unescorted access--no later than completion of the work. Failure to return the cards will cause TVA to incur increased security vulnerability and administration expenses. Contractor therefore agrees, for each unreturned card, to reimburse TVA as liquidated damages in the amount of \$30 per photo ID and \$35 per access control card. TVA may also make Contractor Security System database entries for individuals whose cards are not returned.

- **Required Training – 10-Hour OSHA Training Course**

Effective September 1, 2004, every trades and labor person employed by any contractor or subcontractor performing TVA work on TVA properties will be required to have successfully completed a 10-hour OSHA training course prior to beginning work. All such persons will be required to present evidence that they have completed this training prior to their assignment to perform TVA work.

II. PROVISIONS OF THE CONSTRUCTION PROJECT AGREEMENT (UNION AGREEMENT)

The contractor and all of its subcontractors are to comply with the terms of the Construction Project Agreement and its related documents contained in this Section II. **Exception:** Subcontractors to TVA contractors with subcontracts of \$100,000 or less or subcontracts for specialty work are required instead to comply with the provisions contained in Section III below. (Specialty work is defined in Article VI.)

- **Construction Project Agreement**

This document contains the contractual language of the agreement covering the employment of the contractor's trades and labor employees.

- **Signature, Required Notice, and Pre-job Conference**

Contractors (and subcontractors with contracts more than \$100,000) with TVA contracts containing the Project Agreement are **required** in Article I of that agreement to “**SIGN**, accept, and be bound by the terms and conditions of this Project Agreement.” Accordingly, such contractor should promptly locate the Signature and Required Notice page, complete it, and send a copy to the Council Office and the Contract Officer (see distribution at the bottom). The contractor shall also ensure that each of its subcontractors (provided the subcontract is over \$100,000 and is not “specialty work”) obtain, sign, and distribute their Signature and Required Notice. The contractor **MUST** contact the Building Trades/Council Office 423/337-7887) **BEFORE** beginning work and may be required to schedule a pre-job conference (for rules, see the Signature and Required Notice page).

- **Exhibit A - Wage Schedule**

The wages and fringe payments listed in this document are the total of payments that should be made for each classification, except that monies within the wage package can be moved between wages and fringes so long as the total of the wage package remains the same. Each contractor and its subcontractors are required to post a copy of this wage schedule at each job site for all of their trades and labor employees. This wage schedule should be posted in a visible location (bulletin boards, etc.) where employees pass by not less than once per month.

- **Exhibit B - Contributions to Apprenticeship/Training Funds**

This document describes the amount of contributions for each hour worked to the various apprenticeship or training funds as required by the Project Agreement.

- **Labor Relations Supplements (LRSs)**

LRSs are documents which may revise, interpret, or record provisions or agreements affecting the Project Agreement only. LRSs may be added, revised, or deleted at any time and may be viewed at web address www.TVA.gov/moreinfo/clauses.htm#labor99.

III. PROVISIONS WHEN WORK IS SUBCONTRACTED

Subcontractors are required to comply with the terms of the above Construction Project Agreement as provided in Section II above. **Exception:** Subcontractors with contracts of \$100,000 or less or subcontracts for specialty work (see Article VI) may elect to comply with the terms of the Construction Project Agreement. If they do not elect to comply with the Construction Project Agreement, then they are required to comply with the provisions of form TVA 1851.

- **TVA 1851**

This document establishes requirements on each subcontractor identified in the exception above regarding such subjects as wages, classifications, work schedules, payroll records, benefits, and labor cost adjustments.

- **Exhibit A - Wage Schedule**

The wages and fringe payments listed in this document are the total of payments that should be made for each classification, except that monies within the package may be moved between wages and fringes so long as the total of the wage package remains the same. Each subcontractor is required to post a copy of this wage schedule at each job site for all of their trades and labor employees. This wage schedule should be posted in a visible location (bulletin boards, etc.) where employees pass by not less than once per month.

WEEKLY STATEMENT OF PAYROLL COMPLIANCE

Contractor's Name _____ Contract No. _____

Subcontractor's Name _____ Release No. _____

Payroll week commencing on the ____ day of _____ 20__ and ending on the ____ day of _____ 20__

Instructions to Contractor/Subcontractor

1. The Weekly Statement of Compliance must be filled out by the contractor or subcontractor named above or by his/her authorized representative.
2. The original Weekly Statement of Compliance must be submitted within seven days after the regular payment date of the payroll period identified above to TVA's Contract Officer.

I do hereby state:

- (1) That I pay or supervise the payment of the persons employed by the above-named contractor or subcontractor for the payroll period identified above and that all persons employed on said project have been paid the full weekly wages earned, that no rebates have been or will be made directly or indirectly to or on behalf of the above-named contractor or subcontractor from the full weekly wages earned by any person, and that no deductions have been made either directly or indirectly from the full wages earned by any person, other than permissible deductions as defined in Regulations, Part 3 (29 CFR Subtitle A), issued by the Secretary of Labor under the Copeland Act, as amended (48 Stat. 948; 63 Stat. 108; 72 Stat. 967; 76 Stat. 357; 40 U.S.C. 276c). I understand that TVA may require payrolls to be submitted at any time, and agree to provide them with this statement, if requested by TVA. If not requested at the time of this statement, I agree to provide such payrolls within three business days after TVA requests them.
- (2) That any payrolls otherwise under this contract required to be maintained for the above period have been prepared and are correct and complete and provide detailed payroll information on each employee as required by the Copeland Act regulations (29 C.F.R. §§ 3.3 - 3.4 (1994); that the wage rates for laborers or mechanics contained therein are not less than the applicable wage rates contained in any wage determination incorporated into the contract; that the classifications set forth therein for each laborer or mechanic conform with the work the employee performed and with those classifications listed in any applicable classification determination incorporated into the contract.
- (3) That:
 - (a) WHERE FRINGE BENEFITS ARE PAID TO APPROVED PLANS, FUNDS, OR PROGRAMS
☐ In addition to the basic hourly wage rates paid to each laborer or mechanic listed in the above-referenced payroll, payments of fringe benefits as listed in the contract have been or will be made to appropriate programs for the benefit of such employees, except as noted in Section 3(b) below. Where such plans, funds, or programs do not exist, an amount equal to the fringe benefit contribution will be paid in wages to each laborer or mechanic listed in the above-referenced payroll.
 - (b) EXCEPTIONS

EXCEPTION (CRAFT)	EXPLANATION

WILLFUL FALSIFICATION OF ANY OF THE ABOVE STATEMENTS OR OF PAYROLL DOCUMENTS MAY SUBJECT THE CONTRACTOR OR SUBCONTRACTOR TO CIVIL OR CRIMINAL PROSECUTION. SEE SECTION 1001 OF TITLE 18 AND SECTION 3729 OF TITLE 31 OF THE UNITED STATES CODE.

SIGNED _____ TITLE _____ DATE _____
Contractor/Subcontractor

REMINDER

THIS WEEKLY STATEMENT OF COMPLIANCE, ALONG WITH OTHER EMPLOYEE PAYROLL RECORDS, MUST BE RETAINED BY THE CONTRACTOR OR SUBCONTRACTOR FOR THREE YEARS IN ACCORDANCE WITH FEDERAL REGULATIONS

Distribution: TVA's Contract Officer (This TVA Contract Officer is also to maintain these weekly statements for 3 years from date of completion of this contract.)

CONTRACTOR SECURITY SYSTEM

(To be placed in trades and labor contracts
expected to last more than seven days.)

INSTRUCTION SHEET

The Contractor Security System requires contractors to call into TVA via an Interactive Voice Response (IVR) 1-800 number to obtain suitability for their employees to have access to TVA facilities. Use of this system will assist in eliminating the potential of unsuitable personnel being placed at a TVA work location before proper clearance has occurred.

CONTRACTOR RESPONSIBILITIES

1. All Contractors are required to clear all of their employees and all employees of their subcontractors through TVA's Contractor Security System via the IVR.

2. Designating a Company Representative to Access and Operate the System

The contractor must assign the functions required to access the IVR System to a representative of their company. This representative then becomes responsible for keeping secure their vendor code number and personal identification number (PIN).

3. To Register and to be Assigned Contractor Access Number

Immediately upon award of contract, to initiate the contractor security system requirements and to be assigned a vendor code and PIN, the information contained on the Registration Form must be provided. This information is to be provided to TVA's Employee Service Center (ESC) at 400 West Summit Hill Drive, WT CP, Knoxville, Tennessee 37902. The contractor may call the ESC at 1-888-275-8094. **(To short-cut the system:** When the IVR equipment asks its first question, "*If you are calling from a touch-tone phone, press 1,*" do not press 1, but stay on the line instead, and an ESC representative will come on the line to assist you.) Or, fax the Registration Form to 1-888-633-0372. If the contractor already has an active vendor code and PIN for this system from a previous contract, it is not necessary to be issued another set of numbers. The contractor is required to check all employees through this system regardless of the number of contracts held.

4. A Contractor is also Responsible for its Subcontractor Personnel

The representative in Item 2 above is responsible for accessing the IVR System for both the employees of the contractor and the employees of the subcontractor(s). However, if the contractor prefers that their subcontractors be authorized and responsible to access this system for their employees, the contractor may request this approval by calling TVA's Labor Relations Staff at (865) 632-7701.

5. Contractors' Access to the Security (IVR) System

Dial: **1-800-796-9628** (toll free) or
632-3409 (within TVA phone system)

**The system is to only be accessed by
an authorized representative of the
contractor.**

Your clearance to access employment suitability information through the IVR system is controlled through both a vendor code and PIN. You must have both numbers to access the system. PIN numbers will be reissued at 6-month intervals. You will be notified by FAX one week prior to your PIN expiration date with a new PIN.

The IVR system will lead you through a series of voice prompts to check clearance on contractor employees. You will be required to enter your vendor code and your PIN to access information regarding employee clearance. If either code is incorrect, you will be denied access to the system.

Once you have entered the correct vendor code and PIN, the system asks you to enter the social security number (SSN) for each employee of the contractor or subcontractor seeking access to TVA property/work sites. Once you enter the SSN, the system will respond according to restrictions or nonrestrictions on the employee and advise you how to proceed. The attached TVA Contractor Worksheet is not a necessary form as it is provided as a worksheet for the contractor for convenience when using the system.

If you have problems with the system or need vendor code or PIN information, you should call the Employee Service Center at 1-888-275-8094.

TVA Has Two Separate Security Units

TVA has two separate security units (nuclear and nonnuclear). If an individual is denied clearance, you may be directed to contact either unit depending on whether the contract is with a TVA nuclear or nonnuclear organization. If it is necessary to call a security office after your IVR inquiry, only the authorized contractor representative may call:

Nuclear: 423-751-7923
Nonnuclear: 865-632-7703

Information to be Furnished to Individual that is Denied Access

Individuals should not be given or call the above numbers to inquire on their status. They may inquire in writing to the appropriate office indicated below (SSN, date of birth, and current address must be included for response):

Nuclear
Manager, Nuclear Security
1101 Market St., EB 10B
Chattanooga, TN 37402

Nonnuclear
Manager, Personnel Security
400 West Summit Hill Drive, WT 3D
Knoxville, TN 37902-1401

All information contained in this system is considered sensitive information and should be treated as such. Please ensure that access to this system is limited to specifically authorized representatives of the contractor with need-to-know requirements.

6. Responsibilities of Contractor to Furnish Information to System

Nuclear Contractors

For nuclear contractors who are discharged or resign from the contractor or subcontractor while working at a TVA Nuclear site, the contractor representative should immediately notify the applicable nuclear site Plant Access office. Plant Access will enter a work restriction into the system during the "check out" process.

Nonnuclear Contractors

For employees who are discharged or resign from the contractor or subcontractor while working at any nonnuclear TVA site, the contractor representative should immediately FAX the attached transmittal titled Contractor Report of Discharges or Resignations to TVA's Personnel Suitability and Clearance office. This will ensure that work restrictions are entered into the system.

REGISTRATION FORM

TVA CONTRACTOR SECURITY SYSTEM

Immediately upon award of contract, to initiate the TVA Contractor Security System requirements and to be assigned a vendor code and personal identification number (PIN) number, this completed form or the information contained on the form must be provided to TVA's Employee Service Center (ESC) at 400 West Summit Hill Drive, WT CP, Knoxville, Tennessee 37902 or the contractor may call the ESC at 1-888-275-8094. **(To short-cut the system:** When the IVR equipment asks its first question, "*If you are calling from a touch-tone phone, press 1,*" do not press 1, but stay on the line instead, and an ESC representative will come on the line to assist you.) Or, fax this form to 1-888-633-0372. If the contractor has an active vendor code and PIN for this system from a previous contract, it is not necessary to be issued another set of numbers; however, the contractor is required to check all employees through this system regardless of the number of their contracts held.

NAME OF CONTRACTOR COMPANY

TVA CONTRACT NUMBER

Name, address, phone, fax, and E-mail address (if established) of contractor representative designated the responsibility to keep the contractor vendor and PIN numbers secure and to administer this security system:

(Contractor Representative Name)

(Contractor Representative Address)

(Contractor Representative Phone Number)

(Contractor Representative Fax Number)

(Contractor Representative E-Mail Address--if established)

NOTE: *The contractor representative identified above is responsible to keep these numbers secure and to assign the person employed by the contractor responsible for operating the system. The PIN will be revised every 6 months for security reasons, and the contractor representative listed above will be so notified. TVA will audit the contractor's compliance with this system.*

CERTIFICATION

As the above-designated Contractor Representative, I certify that I have received or applied for a Vendor Code and PIN and that I understand the requirement for my company and all subcontractors to comply with TVA's Contractor Security System.

Signature of Contractor Representative

Date

Note: *The Contractor Representative is to provide a completed copy of this document to their TVA Contract Manager.*

SENSITIVE INFORMATION

Date _____

TVA CONTRACTOR WORKSHEET

(To be utilized when clearing contractor employees [or potential employees]
that are to have access to TVA worksites)

To access TVA/Contractor Security System
(touch-tone phone required): 1-800-796-9628

or:

Within TVA Phone System: 632-3409

Be prepared to provide:

1. Vendor Code # _____
2. Pin # _____
3. Provide the social security number and name of each individual seeking clearance.
(The system will provide the other information.)

SSN	Name (optional)	Restricted Until (date) ¹	No Known TVA Restriction	Restricted —Not Eligible	Contact TVA Security ²

1. Contractor employees eligibility to perform TVA work on site may be subject to satisfactory drug test as determined by TVA.
2. TVA has 2 separate security units (nuclear and nonnuclear). You may be directed to contact either unit, depending on location of work. If it is necessary to call either unit after your interactive voice response inquiry, the authorized representative of the contractor only may call:

For Contractor Use Only: Nuclear 423-751-7923
 Nonnuclear 865-632-7703

NOTE: TVA's contractor employee security system does not replace a contractor's practice or obligation to administer their own employment security screening program.

NOTE: Individuals ineligible to work at a TVA site or facility may inquire as to their individual status by writing to the appropriate office indicated below (SSN and a current address must be included for a response):

Nuclear
Manager, Nuclear Security
1101 Market St., EB 10B
Chattanooga, TN 37402

Nonnuclear
Manager, Personnel Security
400 West Summit Hill Drive, WT 3D
Knoxville, TN 37902-1401

SENSITIVE INFORMATION

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Contractor Report of Discharges or Resignations

**** For Nonnuclear Contractors Only ****

TO: PERSONNEL SUITABILITY AND CLEARANCE

DATE: _____

FAX #: (865) 632-4545 **PHONE #:** (865) 632-7703

FROM: Company Name: _____
Company Contact Name: _____
Phone Number: _____ Fax Number: _____

TVA Contractor Personnel Actions

1. Name: _____ SSN: _____
Craft (i.e., IBEW, Boilermakers, etc.): _____
Project/Site (i.e., Gallatin, Colbert, etc.): _____
Resignation Date: _____ or Discharge Date: _____ Discharge Code: _____
Describe Reason for Discharge: _____

2. Name: _____ SSN: _____
Craft (i.e., IBEW, Boilermakers, etc.): _____
Project/Site (i.e., Gallatin, Colbert, etc.): _____
Resignation Date: _____ or Discharge Date: _____ Discharge Code: _____
Describe Reason for Discharge: _____

3. Name: _____ SSN: _____
Craft (i.e., IBEW, Boilermakers, etc.): _____
Project/Site (i.e., Gallatin, Colbert, etc.): _____
Resignation Date: _____ or Discharge Date: _____ Discharge Code: _____
Describe Reason for Discharge: _____

DISCHARGE CODES (reasons for discharge)

P1 • First positive drug/alcohol test	M1 • Misconduct (includes sleeping on the job, possession of drugs/alcohol/ weapons, falsification of records, insubordination, etc.)	S1 • Safety violations
P2 • Second positive drug/alcohol test		O1 • other (explain)
T1 • Theft/fraud (provide documentation)		
V1 • Violence (provide documentation)		
A1 • Absenteeism	C1 • Criminal history	

SENSITIVE INFORMATION

CONSTRUCTION PROJECT AGREEMENT

**FOR WORK PERFORMED FOR THE
TENNESSEE VALLEY AUTHORITY**

Revised June 1, 2000

CONSTRUCTION PROJECT AGREEMENT

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*Words in italics in this agreement are
the words that were new or revised June 1, 2000*

CONSTRUCTION PROJECT AGREEMENT

This Project Agreement is entered into between the signatory Contractor and the Unions comprising the Tennessee Valley Trades and Labor Council listed hereinafter (herein referred to as the “Council”) for the covered project. The Council is composed of the following International Unions:

- International Association of Heat and Frost Insulators and Asbestos Workers
- International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers
- International Union of Bricklayers and Allied Craftworkers
- United Brotherhood of Carpenters and Joiners of America
- Operative Plasterers’ and Cement Masons’ International Association
- International Brotherhood of Electrical Workers
- International Association of Bridge, Structural, Ornamental, and Reinforcing Iron Workers
- Laborers’ International Union of North America
- International Association of Machinists and Aerospace Workers
- International Union of Operating Engineers
- International Brotherhood of Painters and Allied Trades
- United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada
- United Union of Roofers, Waterproofers and Allied Workers
- Sheet Metal Workers’ International Association
- International Brotherhood of Teamsters

COVENANTS

WHEREAS the Contractor is engaged in the business of construction (as defined in Articles V and VI) and this work is of importance to the Council Unions herein listed, the Council Unions herein listed with the Contractor wish to enter into an agreement for their mutual benefit covering work of this nature.

WHEREAS, it is essential that work performed for TVA will enable it to be fully competitive with the best utilities in North America.

WHEREAS, the Council Unions have in their membership throughout the area members competent and qualified to perform the work of the Contractor.

WHEREAS, the Contractor has employed and now employs members of the Council Unions, and the Contractor has a commitment and/or contract from the Owner for construction work recognized by the Council as being within the jurisdiction of said Council Unions.

WHEREAS, in order to ensure relative equity and uniform interpretation and application, the Council Unions wish to establish and administer said Collective Agreement in concert, each with the other, and all with the Contractor.

WHEREAS, the Contractor and the Council Unions desire to mutually stabilize wages, hours, and working conditions.

WHEREAS, the Contractor and the Council Unions agree that, due to the particular nature of the work covered by this Agreement, there shall be no lockouts or strikes during the life of this Agreement, and provisions must be made to achieve this end.

WHEREAS, it is the intention of the parties that this Agreement will be long-term in nature and will remain in full force and effect while it serves its useful purpose.

It is, therefore, **AGREED** by the undersigned Contractor and Council Unions in consideration of the mutual promises and covenants contained herein that the Project Agreement be made as follows:

ARTICLE I: INTENTS AND PURPOSES

This Agreement is for the joint use and benefit of the contracting parties, and the provisions herein defined and set forth shall be construed as binding upon and effective in determining the relations between the parties and/or subordinate subdivisions thereof signing hereto and to set forth herein the basic Agreement covering the rates of pay, hours of work, and conditions of employment to be observed by the parties hereto.

It is agreed that the Contractor shall sign, accept, and be bound by the terms and conditions of this Project Agreement. It is further agreed that the terms and conditions of this Project Agreement shall supersede and override terms and conditions of any and all other national, area, or local collective bargaining agreements and that the Contractor will not be obligated to sign any other local, area, or national agreement.

Each covered Contractor shall also ensure that its Subcontractors become signatory to and be required to follow the provisions of this Agreement while performing work on the project site, unless the onsite work is incidental to the overall work under the subordinate contracts. This shall not apply to Subcontractors performing specialty work or to Subcontractors whose contracts are for \$100,000 or less. Under no circumstances will multiple applications of subcontracts be used to circumvent the basic intent of this Agreement.

It is mutually understood that the following terms and conditions relating to the employment of workers covered by this Agreement have been decided upon by means of collective bargaining and that the following provisions will be binding upon the Contractor and the Council Unions during the term of this Agreement and any renewal thereafter. It is further agreed that the employees working under this Agreement shall constitute a bargaining unit separate and distinct from all others.

The parties agree to use their best efforts to develop and implement provisions in the Project Agreement which would provide monetary or other incentives to employees to encourage worker safety, completion of project on or before schedule, and within or below budget and productivity targets.

ARTICLE II: MANAGEMENT RIGHTS

The Council Unions understand that the Contractor is responsible to perform the work required by the Owner. Therefore, the Contractor has the complete authority and right to:

- A. Plan, direct, and control the operation of the work.
- B. Decide the number of employees to be hired with due consideration to the proper craft classification thereof.
- C. ***The Contractor has the complete authority and right to assign and/or move employees within the job site. This right is not restricted by the type or classification of work, including, but not limited to, augmentation, capital, operating and maintenance, or contractual arrangement with TVA or other Contractors.***
- D. Hire and lay off employees as the Contractor feels appropriate to meet work requirements and/or skills required. The Contractor may hire employees by name who have special skills or have previous construction experience. Any concerns about abuse of this provision will be immediately referred to the Joint Administrative Committee.

- E. Transfer employees with special skills or qualifications and/or employees from jobs where forces are being reduced to jobs where forces are being increased without restriction or limitations.

This would apply to Contractors having more than one construction project in a given locality and in the territorial jurisdiction of the Local Union or Unions involved.

- F. Determine work methods and procedures.
- G. Determine the need and number of foremen and lead foremen. To name foremen and lead foremen and to require foremen to work with their tools when in the Contractor's opinion this is advisable. This is not to mean that the Contractor will have an inadequate amount of supervision on the job.
- H. Require all employees to observe the Contractor's and/or Owner's rules and regulations not inconsistent with this Agreement. In that regard, the parties understand that the Owner and Contractor have a strong interest in ensuring a safe and productive, drug- and alcohol-free workplace, and support Fitness For Duty policies and procedures established (and as may be amended) by the Owner and/or Contractor, including any drug and alcohol testing program.
- I. Require all employees to observe all safety regulations prescribed by the Contractor and/or Owner and to work safely.
- J. Discharge, suspend, or discipline employees for proper cause.
- K. It is understood that all employees will work together harmoniously as a group and as directed by the Contractor. Employees will also cooperate with and follow directions of Owner Representatives as required by the Contractor.

- L. The Council Unions understand the extreme importance of maintaining construction schedules and productivity. Therefore, the Council Unions will encourage and advise the employees to exhaust every effort, ways, and means to perform work of good quality and quantity. The Contractor and the Council Unions recognize the necessity for eliminating restrictions and promoting efficiency and agree that no rules, customs, or practices shall be permitted that limit production or increase the time required to do the work, and no limitation shall be placed upon the amount of work which an employee shall perform, nor shall there be any restrictions against the use of any kinds of machinery, tools, or labor-saving devices.
- M. It is understood by the Contractor and agreed to by the Council Unions that the employees of this Contractor will perform the work requested by the Contractor without having any concern or interference with any other work performed by any employees who are not covered by this Agreement.
- N. The Contractor retains and shall exercise full and exclusive authority and responsibility for the management of its operations, except as expressly limited by the terms of this Agreement.
- O. The parties to this Agreement affirm the necessity of cooperation and the resolution of disputes and misunderstandings. It is agreed that on projects involving 200 or more Contractor craft employees, monthly job site meetings will be held with representatives of the Contractor and the Council. The purpose of these meetings is to serve as a communication forum, discuss project status and issues, and seek to resolve informally any issues which would otherwise result in grievances or be referred to the Joint Administrative Committee. It is agreed that a Joint Administrative Committee, composed of a representative of the Contractor and the Council, ***shall be established and shall meet not less than once per quarter. The Council Administrator and representatives of TVA's larger partner Contractors shall determine methods for selecting Joint Administrative Committee members and case assignments such that cases to be considered will be assigned to Joint Administrative Committee members representing Contractors and Unions other than those involved in the dispute. TVA and the Council Administrator shall be notified of all Joint Administrative Committee meetings and the issues to be discussed. TVA and the Council Administrator reserve the right to participate in any Joint Administrative Committee meeting, in part to ensure that Joint Administrative Committee actions are consistent with the intent of the parties and within the meaning of the Project Agreements.*** At such meetings, reports concerning any violation, dispute, questions, interpretation, application, or practices arising out of this Agreement shall be discussed. Absenteeism, labor turnover, availability of qualified craftsmen, need for training, and other matters affecting productivity shall be thoroughly discussed. The Joint Administrative Committee can resolve any issue brought to it, but must act unanimously. The Joint Administrative Committee will not be used to circumvent the grievance process or the time limits contained in that process.

In the event a matter is not resolved by the Joint Administrative Committee, the Council or Contractor may appeal the ***grievance to arbitration. In each case so appealed to arbitration, TVA shall request and pay the administrative expense for procuring a panel of arbitrators from the American Arbitration Association or the Federal Mediation and Conciliation Service. Upon receipt of the panel, the Council and the Contractor shall alternately strike one name, with the grieving party striking first, until one name remains, and this remaining person shall be the arbitrator for the case.***

The expenses of the arbitrator shall be equally borne by the Contractor and the Council Union involved. All decisions of the arbitrator shall be within the scope and terms of this Agreement. The arbitrator shall not have the authority to amend, modify, add to, or alter the scope and terms of this Agreement, nor to render any decision on jurisdictional issues.

ARTICLE III: UNION SECURITY AND REFERRAL

- A. The Contractor recognizes the Council as the sole and exclusive bargaining representative for all craft employees of the Contractor at this project.
- B. The Contractor agrees to recognize and be bound by the legal referral facilities maintained by the Union(s) which are not inconsistent with the terms of this Agreement, including Article II, and shall notify the Union either in writing or by telephone when workers are required.
- C. ***All Contractors signatory to the Project Agreement must contact the Council Office to report their project's scope of work, begin date, staffing needs, etc., at least ten days, except in emergencies, before beginning work. All Contractors signatory to the Project Agreement with the cost of labor expected to exceed \$100,000 may be required to conduct a pre-job conference (teleconference if less than \$100,000) as determined by the Council Office. The Contractor will determine the date, time, and location of such conferences and make arrangements for the facilities for such meetings.***
- D. Selection of applicants for referral to jobs shall be on a nondiscriminatory basis and shall not be based on or in any way affected by Union membership, by-laws, rules, regulations, constitutional provisions, or any other aspect of or obligation of Union membership, policies, or requirements. There shall be no discrimination against any employee or applicant for employment because of his/her membership or nonmembership in the Union.
- E. In the event the referral facilities maintained by the Union(s) are unable to fill the requisition of the Contractor(s) for employees within a 48-hour period after such a requisition is made (Saturday, Sunday, and holidays excluded), applicants for such requisition may be employed from any source. The 48-hour period does not apply in an emergency.
- F. The Contractor shall have the right to reject any applicant referred by the Union(s) for good and sufficient cause. Good and sufficient cause shall include failure to demonstrate competency in work processes or techniques through successful completion of tests as may be required by the Contractor.
- G. The Contractor shall have the right to hire lead foremen and foremen in accordance with Section B above and other key employees. Key employees are defined as craft employees who possess special skills or abilities and are not readily available in the area. The Contractor shall also have the right to hire persons currently receiving benefits from the Office of Workers' Compensation Programs (OWCP) as a result of injuries or illnesses incurred as a result of TVA employment. The Union shall have the opportunity to refer qualified candidates for the positions of lead foremen, foremen, and qualified OWCP recipients. These employees will be referred through the recognized craft referral procedure. In cases of employment for positions requiring special skills or qualifications, the Contractor will notify the Union(s) of the qualification tests or skills required and the Union(s) may refer any qualified applicant. The Contractor shall be the sole judge of all applicants' qualifications.
- H. The Union(s) shall not refer employees employed at the project site by a signatory Contractor to other employment, nor shall the Union engage in other activities which encourage work force turnover or absenteeism.

A contract employee who resigns from work at any TVA project and/or worksite will not be eligible for employment with the same or another signatory Contractor performing work for TVA for a period of 60 days following the date of his/her resignation. EXCEPTION: The application of this rule to a particular employee may be waived when the Contractor(s) and the Council representative involved mutually agree prior to an employee's actual resignation that he/she can be rehired.

- I. During a layoff, the Contractor has the right to retain the employees of their choice without regard to any other criteria. Employees terminated for cause may not be referred for employment to the Owner's project site for a period of not less than 90 days. After 90 days, such employees may be rehired at the Contractor's sole discretion.
- J. An employee or applicant required to satisfactorily demonstrate his/her ability to perform certain tasks through an examination or test (e.g., welding tests) or to demonstrate expertise determined by the Contractor to be necessary to perform construction work or to satisfactorily complete requirements for nuclear plant access (e.g., General Employee Training) shall be paid for that time required to take the exam or test provided the employee or applicant successfully passes the exam or test.
- K. It is agreed that applicants referred to the project under this Article shall be considered probationary employees until such time as they meet any Owner or Contractor requirements for security or access clearance in connection with federal law or regulation. A Contractor employing craftsmen who are required to have Nuclear Regulatory Commission (NRC) clearance may request and shall be referred craftsmen who have currently active NRC clearances irrespective of their place on the out-of-work list. This provision shall not preclude such probationary employees' rights under Article VII relative to any grievance arising under any other section of this Agreement. Determinations as to whether a security or access clearance should be granted or revoked, or actions related thereto, are not subject to the grievance procedure.
- L. It is agreed that on any project, at the Contractor's discretion, the total number of apprentices and nonjourneymen in a particular craft is not to exceed 33-1/3 percent of the craft work force. Apprentices and nonjourneymen shall only be used in crafts which recognize such classifications. In the event that the Local Unions cannot supply apprentices or nonjourneymen as required, the Contractor may hire from any source available to achieve the maximum ratio set forth above. Recognizing the need to maintain continuing support of apprenticeship and similar training programs, the Contractor will, to the extent permitted by job conditions, employ apprentices to perform work which is performed by his/her craft and which is within his/her capabilities. The Contractor will be informed annually of TVA's affirmative action goals for apprenticeship programs. When the Union cannot provide minority and women candidates adequate to meet these goals or to permit the Contractor to be in compliance with the affirmative action requirements placed upon government Contractors and any contract requirements which the Owner may impose, the Contractor may acquire qualified candidates in underrepresented groups from any source. These candidates must meet the standards set forth in the appropriate Union apprenticeship program.
- M. The Contractor agrees that it will, when requested by the appropriate Union, deduct from the gross wages of each employee, who is at the time a member of the Union or has made application to become a member of the Union, current Union dues and any voluntary deductions for charitable contributions which are sponsored or supported by the Union representing the employee. The deductions shall be made by the Contractor upon presentation of a proper legal payroll deduction authorization for each such type of payment, signed by the employee, and requesting such deduction be made. The deductions made shall be remitted monthly in the following month to the respective Local Unions.

ARTICLE IV: NONDISCRIMINATION

The Council Unions and the Contractor shall not discriminate against any employee or applicant for employment because of race, creed, color, sex, national origin, age, or handicap as well as recognize the need for and support an effective Affirmative Action Program for recruiting, promoting, and retraining protected classes.

The Contractor will be informed annually of TVA's referral goals for qualified women and minorities.

When the Union cannot provide minority and women candidates adequate to meet these goals for employment, the Contractor, in compliance with the affirmative action requirements placed upon government Contractors and consistent with the Owner's terms of the contract, may acquire qualified candidates from any source.

ARTICLE V: SCOPE OF WORK

- A. This Agreement covers only that construction work assigned by the Owner to the Contractor and performed by the employees of the Contractors covered by this Agreement, including the Office Construction, Maintenance, and Modification Supplement.
- B. This Agreement does not cover work classified as specialty work as defined by the Owner.

ARTICLE VI: DEFINITIONS

- A. Power construction work as defined by the Owner is construction work at a new or existing plant site directly related to the construction of new generating capacity or transmission construction.
- B. Office construction, maintenance, and modification work as defined by the Owner includes work related to the construction, maintenance, modification, or addition to offices, other buildings, or facilities. It does not include maintenance or modification work that is directly related to the mechanical operation of an existing plant, such as addition of scrubbers or other pollution-control facilities, coal/bulk material handling systems, other systems at existing plants, or work within the power block at Watts Bar Nuclear Plant.
- C. Specialty work is limited to work requiring specialized knowledge, skills, or equipment operation not normally possessed by the craft and referable out of the Union halls. Specialty work would include Contractors who utilize a special technique to perform what would otherwise be nonspecialty work; such special technique or process must be clearly shown to result in a benefit to work efficiency, schedule, or worker health and safety. TVA will work to assist in training which will result in the development of such specialized skills within the work force.
- D. "Emergencies" are generally classified as, but are not limited to, work required to prevent significant damage to equipment or facilities, prevent and/or mitigate any danger to the plant or public health and safety, or some other activity necessary to continue service to customers.

ARTICLE VII: GRIEVANCE PROCEDURE

A grievance may be filed by an employee or the Union in behalf of an employee to protest a termination, suspension, or violation of a specific provision of this Agreement. ***If an appeal or formal complaint with respect to an action, matter, or proposed action is or has been filed under a separate procedure provided by law or federal regulation, a grievance regarding such action, matter, or proposed action will not be accepted under this Agreement, or if already accepted, processing of it will be discontinued, and it will not be further considered or decided under this Agreement.***

All grievances that may arise on any work covered by this Agreement must be filed within five working days after the occurrence of events giving rise to the grievance and shall be handled in the following manner:

Step I: Between the aggrieved employee and/or the Local Union Representative, and the employee's immediate onsite Staff Supervisor. It is understood that the Local Union Representative shall have permission to telephone the Council for guidance in any situation that may arise during working hours.

Step II: Between an International Union Representative, the Local Union Representative and the Labor Relations Manager of the Contractor. This step must be initiated by the Local Union Representative within five working days after the start of Step I. Decisions and resolutions of grievances at Steps I and II should not be considered precedential.

Step III:

1. If the grievance is not satisfactorily settled within five working days after the start of Step II, the information prepared for Step II plus any other supplemental information, facts, or positions developed in Step II shall be submitted in writing to the Joint Administrative Committee within five working days by either party.
2. The Joint Administrative Committee shall consider the grievance after receipt from Step II. In the event agreement is not reached within ten working days, the Contractor or the Council may appeal within ten working days to the arbitrator selected under Article II:O of this Agreement. However, this step of the grievance procedure may be waived by mutual agreement between both parties and the grievance shall then be immediately referred to the arbitrator in accordance with Step IV of this Article.

Step IV:

1. Within five working days after the grievance has been referred to Step IV, the parties shall contact the arbitrator and schedule a hearing within 20 calendar days, or as otherwise mutually agreed. The arbitrator shall only have jurisdiction and authority to determine the meaning, application of, or compliance with the provisions of this Agreement and shall not have jurisdiction or authority to add to, detract from, or alter in any way such provisions, nor to render any decision on jurisdictional issues.
2. In arbitration proceedings, the expenses of arbitration shall be shared by the Contractor and the Council Union involved.
3. The findings of the arbitrator shall be binding on both parties.

ARTICLE VIII: WORK ASSIGNMENTS

The signatories to this Agreement agree to the concept that jurisdictional disputes cannot and shall not interfere with the efficient and continuous operations required in the successful application of the intent of this Agreement.

The assignment of work will be solely the responsibility of the Contractor performing the work involved, and such work assignments will be according to decisions and agreements of record. If no such decisions or agreements exist, then the assignments shall be in accordance with established area practices.

All jurisdictional disputes shall be resolved without the occurrence of any strike, work stoppage, or slow-down of any nature, and the Contractor's assignment shall be adhered to until the dispute is resolved as follows:

- A. Jurisdictional disputes will be resolved pursuant to the Plan for the Settlement of Jurisdictional Disputes in the Construction Industry or any successor plan as approved by the Building and Construction Trades Department. In the event such Plan ceases to exist or any successor plan is not approved, such disputes shall be resolved by the then existing legal procedures.
- B. Individuals violating this Article shall be subject to immediate discharge. Any Union violating this Article shall forfeit any further claim to the disputed work.

ARTICLE IX: UNION REPRESENTATIVES

Officials of any of the signatory Unions shall be provided access to projects covered by this Agreement provided they do not interfere with the work of the employees. Requests shall be arranged through the Contractor for such visitations in keeping with Owner's uniform rules of safety and security as expeditiously as possible. Each Local Union shall designate one official as its representative and so inform the Contractor.

Each Union shall designate a working journeyman as a steward. The steward shall be a qualified worker performing the work of the craft and shall not exercise any supervisory functions. Each steward shall be concerned with the employees of this Contractor and not with the employees of any other employer.

The Unions agree that under any and all conditions, Union representatives, stewards, and individual workmen will not interfere in any manner with TVA personnel or with the work being performed by TVA personnel.

The steward shall be the last journeyman to be laid off in the craft, provided that he/she is qualified to perform the required work. The Local Union shall be notified by the Contractor prior to the steward being laid off or terminated.

Augmented employees are represented by the same steward as employees working directly for the Contractor. Where there are both augmented and directly-supervised employees in a craft, the steward designated by the Local Union is to be a working journeyman working as a directly-supervised employee.

In the event augmentation work continues beyond other project work, the job steward shall be retained as the steward for augmentation workers employed by the same Contractor at the same site, provided the augmentation work includes the work of his or her craft and further provided he or she is currently qualified to perform the augmentation work, including possessing all necessary certifications and meeting all clearance requirements.

ARTICLE X: WAGE RATES AND PAYDAY

A. Wage rates for work performed by laborers and mechanics under this Agreement are set out in Exhibit A (Exhibit S-1 for work performed under the Office Construction, Maintenance, and Modification Supplement) which lists the total rate for each classification, consisting of a basic wage rate, contributions to pension and health and welfare funds, and any applicable travel or subsistence allowances. Contributions to apprenticeship funds shall be made to the Unions in the amounts shown in Exhibit B. Under the terms of this Agreement, no other payments are required to be paid.

It is further agreed that contributions by all employees covered by this Agreement to the United Way will be matched by their employers (Contractors) working under this Project Agreement up to five cents per hour for each contributing employee.

This Agreement does not provide for payment for time off for voting, state or local regulations not withstanding.

B. The Contractor and covered Subcontractors shall make health and welfare and pension trust fund contributions to the applicable fund, identified by the Council, but shall not be required to otherwise sign trust fund participation agreements unless legally required per the trust documents. Any signing of trust documents will apply to this project only. Where a Contractor's required contributions to the applicable health and welfare and pension trust funds are different than that specified in Exhibit A or Exhibit S-1, as appropriate the Contractor shall change its wage payment by an amount sufficient to make the total wage package (wages plus contributions to pension and health and welfare funds and any applicable travel or subsistence allowances) equivalent to that specified in Exhibit A or Exhibit S-1.

C. The hourly wage rate for nonjourneymen is 60 percent of the corresponding journeyman rate. This rate shall only apply to crafts which recognize these classifications.

D. The rates set out in Exhibits A and B or Exhibit S-1 as appropriate will be changed periodically based on agreements reached between TVA and the Council. Revisions to the wage rates usually become effective near the beginning of the calendar year. Changes will become part of this contract as of their negotiated effective date.

E. Wages will be paid weekly. The payroll period is to close so that no more than three days will be held back and payments made before the end of the employee's shift.

F. Laid off employees who are not paid at least 75 percent of the wages due them on the last day of work will receive two additional hours' straight-time pay. Absent other mutually agreed-upon arrangements, the final

paycheck will be sent to the employee's permanent address via Priority Mail, postmarked no later than the second business day (Monday through Friday) following the last day of work. Should the mailing of the final paycheck be delayed beyond this second business day, the employee will receive two additional hours' straight-time pay for each additional business day (Monday through Friday) until the paycheck is mailed.

ARTICLE XI: ABSENTEEISM

The Contractor and the Council agree that chronic and/or unexcused absenteeism is undesirable and must be controlled. Employees that develop a record of such absenteeism shall be identified by the Contractor to the appropriate referral facility, and the Contractor shall support such action with the work record of the involved employee. Any employees terminated for such absenteeism may not be referred for employment to the Owner's project site for a period of not less than 90 days.

ARTICLE XII: HOURS OF WORK, OVERTIME, SHIFTS, AND HOLIDAYS

- A. The standard workday shall consist of eight hours of work between 6 a.m. and 5 p.m. with one-half hour designated as an unpaid period for lunch. The standard workweek shall be five consecutive days of work commencing on Monday. Nothing herein shall be construed as guaranteeing any employee eight hours of work per day or 40 hours of work per week.

When augmenting workers to TVA, the augmented employees' hours of work may be scheduled to match the hours of work of the TVA annual work force.

- B. *The Contractor may schedule workweeks consisting of four ten-hour shifts at the straight-time rate of pay, Monday through Thursday. Such shifts may be scheduled for day shift hours (first shift), evening shift hours (second shift) or night shift hours (third shift). When the majority of hours worked fall between 5 p.m. and midnight, the employee will be paid ten hours at the straight-time rate for nine and one-half hours worked. When the majority of hours worked fall between midnight and 7 a.m., the employee will be paid ten hours at the straight-time rate for nine hours worked. When notifying the Union to refer individuals to a job where it is known in advance that four ten-hour shift schedules will be worked, the Contractor will notify the Union of the intended shift schedule. Otherwise, any change to or from a four ten-hour shift schedule will require a five-workday notice unless this notice is waived by the Administrator of the Council.* It is recognized by the parties to this Agreement that the standard workweek *and four ten-hour schedule* may not be desirable or cost effective for some projects, and other arrangements for hours of work will be considered. Such proposed modifications to the standard workweek shall be submitted by the Contractor to the Joint Administrative Committee for approval. The Committee, in reaching a decision, shall take into consideration the project schedule, manpower requirements, the geographic locations of the project, and other appropriate factors.
- C. *Employees who report at the start of the shift for scheduled duty without being notified not to do so and whose services will not be required are paid for two hours at the straight-time rate and released. If the employee is put to work or held in readiness, he/she is paid at the appropriate rate for all hours from the time he/she reported but, in no case, for less than two hours.* Whenever minimum reporting pay is provided for employees, they will be required to remain at the project site available for work for such time as they receive pay unless released sooner by the Contractor's principal supervisor or the employee's designated representative. The provisions of Section C are not applicable where the employee voluntarily quits, lays out, or is out by reason of a strike, in which case the employee shall be paid for the actual time worked.
- D. Hours worked in excess of the standard workday, Monday through Friday, shall be paid at the rate of time and one-half. Compensation for the employee's sixth day will be time and one-half. There shall be no pyramiding of overtime pay. All work performed on the employee's seventh day shall be paid the overtime rate as determined by the overtime multiplier in the appropriate local agreement, but not to exceed double the straight-time rate of pay.

E. Shifts may be established when considered necessary by the Contractor.

1. Shift hours and rates will be as follows:

First shift: Eight hours' pay for eight hours worked plus one-half hour unpaid lunch period.

Second shift: Eight hours' pay for seven and one-half hours worked plus one-half hour unpaid lunch period.

Third shift: Eight hours' pay for seven hours worked plus one-half hour unpaid lunch period.

2. Shift shall be established and continue for a minimum of three consecutive work days.

3. If only two shifts are to be worked, the Contractor may regulate the starting time of the two-shift operations to permit the maximum utilization of daylight hours.

F. Recognized holidays shall be as follows:

- New Year's Day
- Memorial Day
- 4th of July
- Labor Day
- Thanksgiving Day
- Christmas Day

In the event a holiday falls on Sunday, the following day, Monday, shall be observed as such holiday. There shall be no paid holidays. If employees are required to work on a holiday, they shall be paid at the overtime rate as determined by the overtime multiplier in the appropriate local agreement, but in no case shall such overtime rate be more than double the straight-time rate.

For normal workdays before or after a recognized holiday, only when the work needs and/or schedule of TVA and the Contractor permit, the Contractor may survey the job stewards to see if employees want to work. The weight of each job steward's vote will be one vote for each employee in their craft employed on that project on the (day) date in question. (Example: For a craft with 15 employees, that craft's job steward will submit only one ballot of yes or no, but that one ballot will be considered as 15 votes. The job steward's ballot cannot be split and will be either a yes or no vote.) If the vote indicates that the majority want the day off and the Contractor so acts, grievances over the nonpay period will not be accepted.

Holidays in lieu of those specified above may be established by agreement of the Joint Administrative Committee and installed at the Contractor's project.

ARTICLE XIII: FIRST AID AND SAFETY

The employees covered by the terms of this Agreement shall at all times while in the employ of the Contractor be bound by the safety rules and regulations as established by the Owner and/or Contractor. These rules and regulations are to be posted at conspicuous places throughout the project.

Employees must use diligent care to perform their work in a safe manner. Failure to do so may result in immediate dismissal.

ARTICLE XIV: PROJECT RULES AND REGULATIONS

A. It is agreed that the Contractor may implement reasonable project rules and regulations, and such rules and regulations shall be distributed to all employees on the project.

- B. It is understood that these rules and regulations shall not be inconsistent with the terms of this Agreement.
- C. Violations of the project rules and regulations is just cause for disciplinary action, subject to Article VII (Grievance Procedure) of the Agreement.

ARTICLE XV: GENERAL SAVINGS CLAUSE

- A. Any provisions in this Agreement which are in contravention of any federal, state, local, or county regulation or laws affecting all or part of the limits covered by this Agreement shall be suspended in operation within the limits to which such law or regulation is in effect. Such suspension shall not affect the operation of any such provisions covered by this Agreement to which the law or regulation is not applicable, nor shall it affect the operations of the remainder of the provisions of the Agreement within the limits to which such law or regulation is applicable. If any provision in this Agreement is declared unlawful, TVA and the Council will meet to attempt to develop an acceptable alternative.
- B. It is mutually agreed by the parties hereto that if any liability by signatory International Unions to this Agreement should arise, such liability shall be several and not joint.
- C. Each Contractor (including Subcontractor) shall alone be liable and responsible for its own individual acts and conduct and for any breach or alleged breach of this Agreement. Any alleged breach of this Agreement by a Contractor or any dispute between the Council and a Contractor respecting compliance with the terms of this Agreement shall not affect the rights, liabilities, obligations, and duties between the Council and any other Contractor covered by this Agreement. Notwithstanding any other provision of this Agreement, if a Subcontractor fails to make the health and welfare and/or pension fund contributions required under this Project Agreement, the primary Contractor will be responsible for making such contributions.

ARTICLE XVI: WORK STOPPAGES AND LOCKOUTS

- 1. There shall be no strikes, picketing, work stoppages, slowdowns, or other disruptive activity for any reason by the Union, its applicable Local Union, or employees against any Contractor covered under this Agreement, and there shall be no lockout by the Contractor. Failure of any Union or employee to cross any picket line established by any Union, signatory or nonsignatory, or any other organization at or in proximity to the project site is a violation of this Article.
- 2. The Contractor may discharge any employee violating Section 1 above. The Contractor and the Union shall take all steps necessary to obtain compliance with this Article, and neither shall be held liable for conduct for which it is not responsible.
- 3. If the Contractor contends that any Union has violated this Article, it will telegraph or fax the International President(s) of the Local Union(s) involved, the Council, and TVA, with copies to the Presidents of the Local Unions involved advising them of the fact. The International President or Presidents will immediately instruct, order, and use the best efforts of his/her office to cause the Local Union or Unions to cease any violation of this Article. An International Union complying with this obligation shall not be liable for unauthorized acts of its Local Union.
- 4. Any party may institute the following procedure in lieu of or in addition to any other action at law or equity when a breach of Section 1 above is alleged:
 - a. A party invoking this procedure shall notify the arbitrator named in Article II, Section O. In the event that this arbitrator is unavailable at any time, the parties shall select an alternate as specified below. Notice to the arbitrator shall be by the most expeditious means available with notice by telegram to the party alleged to be in violation and to TVA and the Council if it is a Union that is alleged to be in violation. If the

arbitrator is not available, the parties shall obtain the current list of permanent arbitrators used by the Council and TVA under their General Agreement covering annual employment and select an arbitrator from that list. The parties shall alternatively strike names from that list until only one name remains. The arbitrator whose name remains shall hear this matter.

- b. Upon receipt of said notice, the arbitrator named above or his/her alternate shall sit and hold a hearing within 24 hours if it is contended that the violation still exists, but not before 24 hours after the telegraph notice to the International President(s) required by Section 3 above.
 - c. The arbitrator shall notify the parties by telegram or fax of the place and time he/she has chosen for this hearing. Said hearing shall be completed in one session which, with appropriate recesses at the arbitrator's discretion, shall not exceed 24 hours unless otherwise agreed upon by all parties. A failure of any party or parties to attend said hearings shall not delay the hearing of evidence or the issuance of any Award by the arbitrator.
 - d. The sole issue at the hearing shall be whether or not a violation of Section 1 above has in fact occurred, and the arbitrator shall have no authority to consider any matter in justification, explanation, or mitigation of such violation, or to award damages, which issue is reserved for Court proceedings, if any. The Award shall be issued in writing within three hours after the close of the hearing and may be issued without an Opinion. If any party desires an Opinion, one shall be issued within 15 days, but its issuance shall not delay compliance with or enforcement of the Award. The arbitrator may order cessation of the violation of this Article and other appropriate relief, and such Award shall be served on all parties by hand or registered mail upon issuance.
 - e. Such Award may be enforced by any Court of competent jurisdiction upon the filing of this Agreement and all other relevant documents referred to hereinabove in the following manner. Telegraphic or fax notice of the filing of such enforcement proceedings shall be given to the other party. In the proceeding to obtain a temporary order enforcing the arbitrator's Award as issued under Section 4-d of this Article, all parties waive the right to a hearing and agree that such proceedings may be ex parte. Such Agreement does not waive any party's right to participate in a hearing for a final order of enforcement. The Court's order or orders enforcing the arbitrator's Award shall be served on all parties by hand or by delivery to their last known address or by registered mail.
 - f. Any rights created by statute or law governing arbitration proceedings inconsistent with the above procedure or which interfere with compliance hereto are hereby waived by the parties to whom they accrue.
 - g. The fees and expenses of the arbitrator shall be equally divided between the moving party or parties and the party or parties' respondent.
5. Procedures contained in Article VII shall not be applicable to any alleged violation of this Article, with the single exception that any employee discharged for violation of Section 1 above may resort to the procedures of Article VII to determine only if he or she was, in fact, engaged in that violation.

ARTICLE XVII: TOOLS

It is understood that construction electricians and linemen will furnish themselves with standard-make tools in good condition. These tools for a wireman are knife; six-foot rule; cutting pliers; channel-lock pliers; hack saw frame; small, medium, and phillips screwdrivers; ball-peen hammer; pocket level; stak-on pliers; adjustable wrench; combination square 12" or less; voltage tester; and tool box, lock, and keys. These tools for a lineman are crescent wrench, side-cutting pliers, channel-lock pliers, skinning knife, six-foot rule, large screwdriver, belt and safety, climbing hooks, ball-peen hammer, and lineman's canvas tool bag. All other necessary tools and equipment will be furnished to employees by their employer and will be charged to the individual who will be accountable for their security while assigned to him/her. Employer will replace tool bags, safety belts, and worn or damaged tools as necessary.

ARTICLE XVIII: TERM OF THE AGREEMENT

This Agreement shall be in full force and effect through ***November 30, 2003***, and shall continue from year to year thereafter unless sixty days' notice of termination is given by either the Council or, with TVA's concurrence, the Contractor.

ARTICLE XIX: AGREEMENT BETWEEN TVA (OWNER) AND COUNCIL REGARDING COVERED CONSTRUCTION WORK

1. The Contractor, Council, and TVA agree that this Construction Project Agreement governs the respective rights and obligations of the Contractor and the Council covering the Contractor's employees and that, by signing this Agreement, TVA does not assume the rights, obligations, or liabilities of any Contractor or the Council under this Agreement. The dispute resolution procedures contained in other Articles of this Project Agreement are not applicable to matters covered by this Article.

It is further understood that this Project Agreement does not have the effect of creating any joint employer status between or among the Owner or any Contractor or Subcontractor.

With these understandings, TVA and the Council agree to the provisions described below.

2. TVA and the Council agree that each contract involving construction of new generating capacity (or each contract for office construction, maintenance, or modification in excess of \$250,000 ***for TVA Fossil, Nuclear, and Hydro organizations or \$350,000 for all other TVA organizations***) which requires the employment of laborers and mechanics in such work shall contain a provision requiring the Contractor to become signatory to the Construction Project Agreement between the Contractor and the Council. Power construction and office construction, maintenance, and modification work are defined in Article VI of this Project Agreement. This requirement will not apply to specialty work as defined in this Project Agreement.

This Project Agreement does not apply to office construction, maintenance, or modification contracts in amounts of \$250,000 or less ***for TVA Fossil, Nuclear, and Hydro organizations or \$350,000 for all other TVA organizations***, in part to ensure that businesses within the TVA power service area and small, disadvantaged, minority- or women-owned businesses shall have enhanced opportunity to compete for and be awarded such contracts.

Disputes regarding the applicability of this section shall be handled as follows:

If TVA determines that a particular contract which otherwise would be covered by this Project Agreement is excepted from coverage under this section, it shall notify the Council before the contract is awarded. Any Council disputes regarding this determination must be received by a person designated by TVA within three working days of the Council's receipt of notification. If TVA and the Council cannot resolve this dispute, the Council may appeal the dispute to an arbitrator, who is jointly selected by TVA and the Council, and who serves for an appointed term of one year, but subject to removal by either party upon 30 days' notice. Such appeal must be made within five working days of TVA's receipt of the Council's initial dispute.

The parties shall obtain the current list of permanent arbitrators used by the Council and TVA under their General Agreement covering annual employment and select an arbitrator from that list by alternatively striking names from the list until only one name remains. The arbitrator whose name remains shall hear the dispute, provided he/she can hear the case within ten calendar days.

Within two workdays of any appeal, the parties shall procure an arbitrator and set a hearing date to be held within ten working days of the appeal. The hearings will be held in

Chattanooga or Knoxville, Tennessee, unless the parties mutually agree otherwise. Said hearings shall be completed in one session, not to exceed one day. The Award shall be issued in writing within 24 hours after the close of the hearing. If any party desires an Opinion, one shall be issued within 15 days, but its issuance shall not delay compliance with or enforcement of the Award. If the arbitrator decides in TVA's favor, TVA may proceed with this contract.

3. Pay and working conditions have been developed especially for power construction work and for office construction, maintenance, and modification work. The wage package will consist of a basic wage rate, pension and health and welfare contributions, apprenticeship fund contributions where applicable, and where applicable any transportation and subsistence payments. To establish wage rates for power construction work, surveys will be conducted by TVA and the Council for work of a similar nature within the vicinity consisting of (1) Local Union contracts, (2) major construction projects, and (3) federal predetermined rates for building and heavy construction. It is agreed the term "vicinity" is interpreted to mean (a) the watershed of the Tennessee River, (b) the TVA power service area (in which TVA owns, operates, or constructs power facilities), and (c) certain adjacent areas and specified urban centers, all included within the following boundaries: a line drawn from Birmingham to Atlanta; a line from Atlanta tangent to the eastern boundary of the watershed; the watershed boundary to the northeastern tip of the watershed, a line from the northeastern tip of the watershed to Louisville; the Ohio and Mississippi Rivers from Louisville to Memphis; the boundary of the power service area from Memphis to the southeastern tip of that area; and a line from the southeastern tip of the power service area to Birmingham. Contributions to health and welfare, pension, and apprenticeship funds for each hour worked and payments for any applicable travel and/or subsistence will be made at the rates negotiated by TVA and the Council as reflected in Exhibits A and B.

TVA and the Council mutually recognize that prevailing wage rates for office construction, maintenance, and modification work are lower than the rates for construction of power facilities. In recognition of current labor market practices, TVA and the Council agree that the prevailing wage rates for office construction, maintenance, and modification work *are lower than the rates for construction of power facilities*; and, therefore, the rate to be paid for such work performed under this contract is **95** percent of the negotiated basic hourly wage rates established for power construction work as described in the immediately preceding paragraph. These rates are shown in Exhibit S-1. Contributions to health and welfare, pension, and apprenticeship funds, and payments for any travel and/or subsistence where applicable will be made at the rates negotiated by TVA and the Council for power construction work.

4. The following procedures apply for wage determinations under this Article:
 - a. Either TVA or the Council may notify the other party before August 15 of any given year that a preliminary conference is desired to discuss the need for a wage conference to consider requests for revisions in wage rates. If a wage conference is deemed necessary, it will be held the following November or December. The Senior Vice President of Labor Relations of TVA or his/her designee and the Administrator of the Council shall act as co-chairmen of the wage conference for the purpose of handling the work of the conference.
 - b. Prior to any wage conference, TVA and the Council will each conduct a wage survey. When holding the meeting to determine the need for a wage conference and prior to conducting the wage survey, TVA will meet with the Council to discuss the surveys.
 - c. All requests by Unions for revisions in basic rates of pay shall be filed with the Administrator of the Council or his/her designee for transmittal to TVA two weeks before the wage conference.
 - d. If at the conclusion of a wage conference the Council does not accept the final offer for any rate of pay, that dispute can be appealed to the Secretary of Labor in accordance with the TVA Act, but any such appeal must be filed within 30 days of the conclusion of the wage conference.

- e. When the wage conference reaches an agreement resulting in revisions of existing rates of pay and the resulting rates have been approved by TVA's Board of Directors, the new schedules will become effective with the beginning of the Contractor's first payroll period beginning after January 1.
5. The Council and the Owner understand that the Owner may choose to perform or directly contract or purchase any part or parts of the work necessary on any covered project. Should TVA choose to directly perform work that would otherwise be within the scope of this Agreement, it will negotiate an agreement with the Council along the lines of this Project Agreement (modified as appropriate to reflect TVA's status as a federal agency) and such work will be performed under that agreement.
6. The Council shall designate an individual who is authorized by the Council to finally and conclusively bind it and each of its constituent Unions in the execution of the Project Agreement in all matters arising thereunder, in the negotiation and execution of any amendments to this Project Agreement, and in the negotiation of any wages and monetary fringe benefits as required under this Agreement.
7. This Article shall be effective beginning with contracts entered into based on Requests for Proposals, Invitations for Bids, or Requests for Offers issued on or after the date of execution of this Project Agreement. Under this Article, this Project Agreement will be required in all covered contracts executed through **May 31, 2003**. This Article shall continue from year to year thereafter unless 60 days' notice of termination is given by either TVA or the Council. The date of execution of the Project Agreement is deemed to be the last date on which it is signed by any signatory party.

The Presidents of the Unions listed below, which comprise the Tennessee Valley Trades and Labor Council, hereby approve this Project Agreement and authorize the Council, through its designated representative, to execute, administer, and make revisions to this Project Agreement.

Revised effective June 1, 2000.

original signed by John E. Long, Jr.
 Senior Vice President
 Labor Relations, Tennessee Valley Authority

original signed by Edward C. Sullivan
 President
 Building and Construction Trades Department

original signed by Carl B. Murphy
 Administrator
 Tennessee Valley Trades and Labor Council

original signed by Joseph Maloney
 Secretary-Treasurer
 Building and Construction Trades Department

original signed by William G. Bernard
 General President
 International Association of Heat and Frost
 Insulators and Asbestos Workers

original signed by R. Thomas Buffenbarger
 International President
 International Association of Machinists and
 Aerospace Workers

original signed by Charles W. Jones
 International President
 International Brotherhood of Boilermakers, Iron Ship
 Builders, Blacksmiths, Forgers and Helpers

original signed by Frank Hanley
 General President
 International Union of Operating Engineers

original signed by John J. Flynn

President
International Union of Bricklayers and Allied
Craftworkers

original signed by Douglas J. McCarron

General President
United Brotherhood of Carpenters and Joiners of
America

original signed by John J. Dougherty

General President
Operative Plasterers' and Cement Masons'
International Association of the United States and
Canada

original signed by J. J. Barry

International President
International Brotherhood of Electrical Workers

original signed by Jake West

General President
International Association of Bridge, Structural,
Ornamental and Reinforcing Iron Workers

original signed by Terence M. O'Sullivan

General President
Laborers' International Union of North America

original signed by Michael E. Monroe

General President
International Brotherhood of Painters and Allied
Trades

original signed by Earl J. Kruse

International President
United Union of Roofers, Waterproofers and Allied
Workers

original signed by Michael J. Sullivan

General President
Sheet Metal Workers' International Association

original signed by Martin J. Maddaloni

General President
United Association of Journeymen and Apprentices
of the Plumbing and Pipe Fitting Industry of the
United States and Canada

original signed by James P. Hoffa

General President
International Brotherhood of Teamsters

**SUPPLEMENT
OFFICE CONSTRUCTION, MAINTENANCE, AND MODIFICATION
SUPPLEMENT TO THE CONSTRUCTION PROJECT AGREEMENT**

This supplement governs work performed under contracts for office construction, maintenance, and modification work as defined in Article VI, Paragraph B. All provisions of the Construction Project Agreement shall apply to such work except as noted in that agreement or as specifically revised below:

1. Article II, Management Rights, Paragraph K, is revised to read as follows:

- K. It is understood that all employees will work together harmoniously as a group and as directed by the Contractor. Employees will also cooperate with and follow directions of Owner Representatives as required by the Contractor. After proper staffing by classification (which is normally staffed by the craft having the jurisdiction), the Contractor may assign work to those employees who in its judgment are qualified to safely and efficiently perform the work. Traditional craft jurisdictional lines may not be observed in making work assignments. In utilizing employees, it is the responsibility of management to assign work such that employees apply the skills for which they are trained. Therefore, while traditional craft jurisdictional lines may not be followed, management commits that employees will be assigned to work utilizing the skills for which they are trained as long as a productive work force can be maintained.

2. Article III, Union Security and Referral, Paragraph L, first sentence, is revised to read as follows:

- L. It is agreed that on any project, at the Contractor's discretion, the total number of apprentices and nonjourneymen in a particular craft is not to exceed 50 percent of the craft work force.

(The remaining portion of this paragraph remains unrevised.)

3. Article VIII, Work Assignments, is revised to read as follows:

The signatories to this Agreement agree to the concept that jurisdictional disputes cannot and shall not interfere with the efficient and continuous operations required in the successful application of the intent of this Agreement.

(The remaining provisions of the Article are not applicable.)

4. Article X, Wage Rates and Payday, Paragraph C, is revised as follows:

- C. The hourly wage rate for nonjourneymen is 50 percent of the corresponding journeyman rate, except that this rate shall only be used in crafts which recognize such classifications.

CONSTRUCTION PROJECT AGREEMENT FOR WORK PERFORMED FOR THE TENNESSEE VALLEY AUTHORITY

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*LRSs (Labor Relations Supplements) may be viewed at web address www.TVA.gov/moreinfo/clauses.htm#labor99.

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*LRSs (Labor Relations Supplements) may be viewed at web address www.TVA.gov/moreinfo/clauses.htm#labor99.

SIGNATURE AND REQUIRED NOTICE

PROJECT AGREEMENT CONTRACTORS' REQUIREMENTS BEFORE BEGINNING WORK

I. Rules

1. All contractors signatory to the Project Agreement must **complete** and **distribute** this form and contact the Building Trades/Council Office at (865) 981-3970 to report their project's scope of work, begin date, staffing needs, etc., at least 10 days before beginning work. The contractor will either provide the same information for their subcontractors or have the subcontractor contact the Building Trades/Council Office.
2. All contractors signatory to the Project Agreement with the cost of labor expected to exceed \$100,000 may be required to conduct a pre-job conference as determined by the Building Trades/Council Office. The contractor will determine the date, time, and location of such conferences and make arrangements for the facilities for such meetings. On all contracts signatory to the Project Agreement, with the cost of labor expected to be less than \$100,000, a pre-job teleconference may be required and coordinated by the Building Trades/Council Office.

II. Contract Number: _____ (Check appropriate Project Agreement)

- ☐ Construction Project Agreement
☐ Office Supplement - Construction Project Agreement
☐ Project Maintenance and Modification Agreement

III. Description of Work

Description of Work: _____

Work Locations _____

Work Schedule Estimate: Beginning Date _____ Completion Date: _____

Peak Number of Craft Employees Expected at any Given Time _____

Specify Crafts & Approximate Number of Craftsmen Required:

____ Asbestos Workers	____ Iron Workers	____ Plasterers/Cement Masons
____ Boilermakers	____ Laborers	____ Roofers
____ Bricklayers	____ Machinists	____ Sheet Metal Workers
____ Carpenters/Millwrights	____ Operating Engineers	____ Steamfitters/Pipefitters
____ Electrical Workers	____ Painters	____ Teamsters

IV. Signature

THE PRIME CONTRACTOR (OR A SUBCONTRACTOR FOR MORE THAN \$100,000 OR SPECIALTY WORK) AGREES TO BE BOUND BY THE PROVISIONS OF THIS PROJECT AGREEMENT BY THE FOLLOWING SIGNATURE:

Company-Authorized Signature: _____ Date: _____

Company Name: _____

Address: _____

City, State, Zip Code: _____

Telephone Number: (____) _____ Fax Number: (____) _____

V. Distribution:

Building & Construction Trades Department/Tennessee Valley Trades & Labor Council
711 New Highway 68, Suite B
Sweetwater, Tennessee 37874
Telephone: (423) 337-7887 – FAX: (423) 337-7669
E-Mail: Imatoy@aol.com

TVA Contract Officer

Revised 1-1-03

Exhibit A - WAGE SCHEDULE

for Project Agreements and 1851s

Effective First Pay Period Beginning After January 1, 2004

Scope of work covered: This document identifies the total wage package (wages plus fringe benefit contributions) to be paid to the employees of contractors performing construction, maintenance, and modification work for TVA under either the Construction Project Agreement (Exh. A), Project Maintenance and Modification Agreement (Exh. A), or 1851 (Exh. A).

Notice to Employees: If you do not receive at least the total of the amounts of pay provided in this document, you should contact your supervisor or your payroll office. If these individuals are unavailable, you may write to TVA's Labor Relations Staff, 400 West Summit Hill Drive (ET 6D), Knoxville, Tennessee 37902-1499, where the matter will be held in confidence.

<u>Asbestos Workers</u>		<u>Bricklayers (continued)</u>	
<i>(Asbestos work includes insulation)</i>		Stone Mason	22.19
Asbestos Abatement Worker	14.40	Terrazzo Worker	21.44
Asbestos Abatement Worker Foreman	15.84	Tile Setter	21.44
Asbestos Worker	20.57		
Asbestos Worker Foreman	22.63	Pension Fund	1.39 ¹
Asbestos Worker Head Foreman	24.89		
Asbestos Worker Subjourneyman	12.34 ²		
		<u>Carpenters</u>	
Health and Welfare Fund	4.26 ¹	Carpenter	18.99
Pension Fund	3.16 ¹	Carpenter Foreman	20.89
		Carpenter Head Foreman	22.98
		Carpenter Trans. Foreman Specialist	24.48
<u>Boilermakers</u>		Carpenter Welder	18.99
Blacksmith/Boilermaker	26.10	Lather (tie-on installation)	18.99
Blacksmith/Boilermaker Welder	26.10	Lather Foreman	20.89
Boilermaker Certified Pressure Welder	26.85 ³	Millwright	21.62
Boilermaker Assistant Foreman	28.71	Millwright Foreman	23.78
Boilermaker Foreman	28.96	Millwright Head Foreman	26.16
Boilermaker Erector	31.86	Millwright Welder	21.62
Boilermaker Subjourneyman ² (for wage and fringe rates, see Endnote 10)		Pile Driver	19.24
Boilermaker Trainee I	18.27	Pile Driver Foreman	21.16
Boilermaker Trainee II	20.88	Pile Driver Welder	19.24
		Saw Filer	18.99
Health and Welfare Fund	5.77 ¹	Sawyer	18.99
Pension Fund (for each hour paid)	5.00 ¹		
Annuity (for each hour paid)	1.50 ¹	Health and Welfare Fund	2.95 ¹
		Pension Fund	1.55 ¹
(For apprentice health and welfare, pension, and annuity, see page 7.)			
(For possible application of MOST Program, see Endnote 11.)			
		<u>Electrical Workers</u>	
<u>Bricklayers</u>		Cable Splicer	21.40
Bricklayer	22.19	Driver-Special Line Equipment	17.39
Bricklayer Foreman	24.41	Driver-SLE Trainee I	13.56
Bricklayer Head Foreman	26.85	Driver-SLE Trainee II	14.78
Bricklayer Improver	13.31 ²	Driver-SLE Trainee III	15.65
Marble Setter	21.44	Electrician	21.15
		Electrician Foreman	23.27
		Electrician Head Foreman	25.60
		Electrician Welder	21.15

Electrical Workers (continued)

Groundman (line crew)	13.55
Groundman Driver	13.70
Groundman Foreman	21.15
Groundman--Maintenance	12.69 ²
Groundman Trainee--A	9.49
Groundman Trainee--B	10.16
Lineman	21.15
Lineman Foreman	23.27
Right-of-Way Clearing Foreman--Spray	16.92
Substation Const. Foreman	25.60
Transmission Line Const. Foreman	25.60

Health and Welfare Fund	4.30 ¹
Pension Fund--National (3% of the hourly gross wage rate) ¹	
Pension Fund--Local	2.71 ¹

Iron Workers

Iron Worker Head Foreman	24.11
Reinforcing Iron Worker	19.93
Reinforcing Iron Worker Foreman	21.92
Reinforcing Iron Worker Subjourneyman	11.96 ²
Structural Iron Worker	19.93
Structural Iron Worker Foreman	21.92
Structural Iron Worker Sketchman	21.92
Structural Iron Worker Subjourneyman	11.96 ²
Structural Iron Worker Welder	19.93

Health and Welfare Fund	3.15 ¹
Pension Fund	3.93 ¹
Annuity	0.50 ¹

Laborers

Asphalt Raker and Smoother	14.03
Cement Gun Nozzleman	14.58
Chuck Tender	14.43
Concrete Placing Foreman	16.26
Construction Laborer	14.03
Deckhand	14.13
Excavation Foreman	16.26
Flagman	14.33
Form Stripper -- Wrecker	14.03
Jackhammer Operator	14.08
Labor Foreman	16.04
Labor Head Foreman	17.89
Laborer (unclassified)	13.88
Mortar Mixer	14.03
Nuclear Plant Laborer	14.03
Powder Foreman	16.26
Powderman	14.78

Laborers (continued)

Power Saw Operator	14.03
Right-of-Way Spray Laborer	14.03
Sewer Foreman	16.04
Substation Yard Laborer	14.03
Track Foreman	16.26
Track Laborer	14.03
Tunnel Laborer	14.53
Tunnel Miner	14.88
Tunnel Miner Foreman	16.37
Wagon Drill Operator	14.53
Watchman	13.88

Health and Welfare Fund	1.90 ¹
Pension Fund	1.35 ¹

Machinists

Bolt Threading Machine Operator	16.61
Gas and Diesel Mechanic	22.15
Gas and Diesel Mechanic Foreman	24.37
Gas and Diesel Mechanic Helper	16.61
Gas and Diesel Mechanic Helper II	18.83
Machinist	22.15
Machinist Foreman	24.37
Machinist Head Foreman	26.81
Machinist Utilityman	13.29 ²
Machinist Welder	22.15
Outside Machinist	22.35
Outside Machinist Foreman	24.59
Outside Machinist Utilityman	13.41 ²
Outside Machinist Welder	22.35

Health and Welfare Fund	4.01 ¹
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Operating Engineers

<u>Group A Equipment Op.</u>	19.54
Bulldozer Operator	
Central Concrete Mixing Plant Op.	
Concrete Pump Operator	
Core Drill Operator	
Crane Operator ⁴	
Derrick Operator (live boom)	
Dragline Operator	
Dredge Operator	
Equipment Mechanic	
Equipment Mechanic Welder	
Euclid Loader Operator	
Heavy Rotary Drill Operator	
Marine Pilot	
Motor Patrol Grader Operator	
Mucking Machine Operator	

Operating Engineers (continued)**Group A Equipment Op. (continued)**

Pan Scraper Operator
Paving Equipment Operator
Pile Driver Operator
Power Shovel Operator
Trenching Machine Operator

Group B Equipment Op.

18.69

Cage Hoist Operator
Central Compressor Plant Operator
Chief Filter Plant Operator
Derrick and Dredge Boat Fireman
Drill Operator
Elevating Grader Operator
Hoist Operator
Locomotive Operator
Marine Engineer
Well Point Pump Operator
Yard Conductor

Group C Equipment Op.

17.54

Bituminous Distributor Operator
Filter Plant Operator
Grader Operator
Greaser
Motor Crane Driver and Oiler
Mulching Machine Operator
Portable Concrete Mixer Operator
Road Roller Operator
Switchman
Tractor Operator
Tunnel Motorman
Work Boat Operator

Group D Equipment Op.

16.78

Conveyor Operator
Crane Car Operator
Drill Helper
Equipment Mechanic Helper
Fireman
Grout Pump Operator
Loading Machine Operator
Oiler
Outboard Motorboat Operator
Portable Compressor Operator
Pump Operator
Tractor Operator -- Farm Type
Trenching Machine Helper
Welding Machine Operator

Equipment Operator Foreman

Central Mixing Plant Foreman 21.49
Core Drill Foreman 21.49
Dredge Mate 21.49
Drill Foreman 20.56
Equipment Foreman 21.49
Equipment Mechanic Foreman 21.49
Greaser Foreman 19.54
Operating Engineer Head Foreman 23.64

Operator Trainees

Central Concrete Mixing Plant Opr.
Trainee I 16.78
Trainee II 17.54
Trainee III 18.69
Core Drill Operator Trainee I 17.54
Core Drill Operator Trainee II 18.69
Marine Pilot Trainee I 17.54
Marine Pilot Trainee II 18.69

Health and Welfare Fund 3.28 ¹
Pension Fund 3.12 ¹

Painters

Lead-Based Paint Abatement Worker 16.07
Painter (includes drywall finish & glazier work) 16.07
Painter Foreman 17.68
Painter Head Foreman 19.45
Painter Utilityman 9.64 ²
Sign Painter 16.07

Health and Welfare Fund 2.30 ¹
Pension Fund 2.20 ¹

Plasterers and Cement Masons

Cement Mason 20.88
Cement Mason Foreman 22.97
Cement Mason Head Foreman 25.27
Cement Mason Improver 12.53 ²
Plasterer 22.88
Plasterer Foreman 25.17

Health and Welfare Fund 2.00 ¹
(Cement Masons only)

Roofers

Roofer	18.26	
Roofer Foreman	20.09	
Roofer Head Foreman	22.10	
Roofers Helper	13.15	
Roofer Subjourneyman	10.96	²
Roofer -- Slate and Tile	18.51	
Roofer Foreman -- Slate and Tile	20.36	
Roofer -- Slate and Tile Subjourneyman	11.11	²
Health and Welfare Fund	2.40	¹
Pension Fund	.75	

Sheet Metal Workers

Sheet Metal Worker	21.73	
Sheet Metal Worker Foreman	23.90	
Sheet Metal Worker Head Foreman	26.29	
Sheet Metal Worker Pre-Apprentice	13.04	²
Sheet Metal Worker -- Sketchman	23.90	
Sheet Metal Worker Welder	21.73	
Health and Welfare Fund	3.49	¹
Pension Fund	3.04	¹
SASMI (3% gross payroll including base wage, H&W, and Pension) ¹		

Steamfitters

Lead Burner	23.42	
Plumber	22.03	
Plumber Foreman	24.23	
Plumber Sketchman	24.23	
Production Wkr. Steamfitter Subj'man.	13.22	²
Steamfitter	22.03	
Steamfitter Foreman	24.23	
Steamfitter Head Foreman	26.65	
Steamfitter Sketchman	24.23	
Steamfitter Welder	22.03	
Health and Welfare Fund	3.46	¹
Pension Fund	3.66	¹
Sprinkler-Fitter	21.83	
Sprinkler-Fitter Foreman	24.01	
Sprinkler Fitter Head Foreman	26.41	
Health and Welfare Fund	4.72	¹
Pension Fund	3.57	¹

Teamsters

Garage Attendant	15.54	
Truck Dispatcher	16.12	
Truck Driver I	15.54	⁵
Truck Driver II	15.79	⁶
Truck Driver III	16.04	⁷
Truck Foreman	17.64	
Truck Head Foreman	19.40	
Warehouseman	15.54	
Warehouse Foreman	16.09	

Health and Welfare Fund	3.22	¹
Pension Fund	\$85/w	¹
	k	

(For each week in which employee receives at least 20 hours' pay.)

Multi-Craft

Diver	26.93	⁸
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Depth Premium

0 - 50 ft. No premium
51 - 100 ft. \$1.10 per ft.
101 - 150 ft. \$2.20 per ft.
151 - 200 ft. \$3.30 per ft.
201 - 250 ft. \$4.40 per ft.
251 - 300 ft. \$5.50 per ft.

Torus Diving Premium

\$5.50 per calendar day to diver who makes one or more dives in nuclear torus.

Diver Tender	16.16	⁸
Power House Crane Operator	21.15	⁹
Property Maintenance Worker	15.54	⁹
Property Maintenance Foreman	17.09	⁹

ENDNOTES

1. a. Health and Welfare and Pension Contribution - Health and Welfare and Pension contributions may vary for some crafts by local area from those rates listed in this exhibit. If the work is covered by a Project Agreement, prior to making wage or benefit payments, the contractor and the union involved should communicate to ensure that payment amounts, payment rules, and the name and address of the fund where the payments should be made are correct. (Also, if the work is covered by a Project Agreement, for the instructions in behalf of employees in Iron Workers classifications, the contractor should contact the Iron Worker Council Representative.) If the work is not covered by a Project Agreement, it is permitted that a contractor may make hourly fringe benefit contributions at another rate(s); however, in such case, the hourly wage rate must be adjusted in an amount that provides that the total wage package (wages plus fringe benefit contributions) remain the same.
- b. The rate of contributions to fringe benefit funds is paid at the straight-time rate even during overtime hours worked. During overtime, only the hourly wage rate is multiplied by the overtime multiplier. In other words, the established rate of contributions to fringe benefit funds is paid for hours worked and not hours paid. (**Exceptions:** (1) For all classifications in the Boilermaker classification group, hourly contributions to pension and annuity only are paid on hours paid. (2) For all classifications in the Electrical Workers classification group, hourly contributions to the Pension Fund—National only are paid at 3 percent of the gross hourly wage rate being paid regardless if it is at the straight time or overtime rate. (3) For all classifications in the Sheet Metal Workers classification group, hourly contributions to SASMI only are paid at 3 percent of the gross hourly wage rate being paid regardless if it is at the straight-time or overtime rate, plus 3 percent of the straight-time rate paid to their Health and Welfare and Pension Funds.)
2. In 1983, TVA and the Tennessee Valley Trades and Labor Council agreed to a new series of classifications (Asbestos Worker Subjourneyman, Boilermaker Helper [revised to Boilermaker Subjourneyman 12-97], Bricklayer Improver, Groundman--Maintenance [IBEW], Reinforcing Iron Worker Subjourneyman, Structural Iron Worker Subjourneyman, Machinist Utilityman, Outside Machinist Utilityman, Painter Utilityman, Cement Mason Improver, Roofer Subjourneyman, Roofer--Slate and Tile Subjourneyman, Sheet Metal Worker Pre-Apprentice, and Production Worker Steamfitter Subjourneyman). These classifications are considered as nonjourneymen, and they are not in a training position or a progressive position leading to journeyman status. The total number of apprentices and nonjourneymen in a particular craft is not to exceed 33-1/3 percent of the craft work force. Some of the conditions of the agreement are: They are under the supervision of a general supervisor and the direct supervision of a foreman; they work with journeymen and perform tasks as assigned which do not require journeyman skills; they may be assigned to any work which, in the judgment of management, he/she can perform safely and efficiently; they must be physically able to do the work; and they must have a general knowledge of safe and proper use of handtools.
3. Must be certified under ASME Section 9.
4. For Crane Operator, the following premiums are paid: A premium of \$1.00 per hour above the straight-time rate is paid for all hours when hired to operate the following: (1) cranes with 100 feet of boom, including jib; (2) tower cranes; (3) ringer cranes; or (4) cranes of 91-ton capacity or more.
5. Truck Driver I - Includes: (1) dump trucks 3 cu. yds. and under, struck measure; (2) trucks other than dump trucks with a manufacturer's nominal rating of 3T and under. Does not include trucks covered by the classification Truck Driver III.
6. Truck Driver II - Includes: (1) dump trucks over 3 cu. yds., struck measure, up to and including 6 cu. yds., struck measure; (2) trucks other than dump trucks having a manufacturer's nominal rating of over 3T up to and including 5T. Does not include trucks covered by the classification Truck Driver III.

ENDNOTES (continued)

7. Truck Driver III - Includes: (1) dump trucks over 6 cu. yds., struck measure; (2) trucks other than dump trucks over 5T; (3) trucks regardless of size having special equipment, such as fuel delivery equipment, dumpsters, mixers, winches (except bumper winches on trucks regardless of size, when used only to help the truck over rough or muddy ground), cargo refrigerating or heating units, etc.; (4) crawler trucks regardless of size; (5) tractor-type trucks of any size; (6) trucks of any size when pulling heavy capacity trailers such as lowboys, vans, mobile health clinic trailers, floats, etc.; (7) right-of-way clearing spray trucks. Does not include trucks covered by the classification Driver--Special Line Equipment. Does not include winch trucks with permanently attached "A" frame or boom when assigned primarily for hoisting for one week or more; under these circumstances, the driver position is classified as Crane Operator.

A premium of 30 cents per hour above the Truck Driver III rate is paid while driving a dual-powered, dual-control 400-ton lowboy. This premium is paid to those drivers actually performing the work described above.

8. This rate is the total wage package which is the total that may be paid when the hourly wage and all fringe contributions, if any, are added together.
9. Receives fringe benefit contributions of the craft from which employed.
10. The Boilermaker Subjourneyman classification Health and Welfare and Pension contributions vary depending on when the individual was first hired by any contractor as a subjourneyman. (For a description of subjourneyman, see Endnote 2).

	<u>First Employed</u>	
	<u>Prior to</u>	<u>After</u>
	<u>11-1-97</u>	<u>11-1-97</u>
Boilermaker Subjourneyman	\$15.66	\$15.66
Health and Welfare Fund ¹	5.77	5.07
Pension (for each hour paid) ¹	5.00	0.00
Annuity (for each hour paid) ¹	1.50	0.00

11. It is agreed that only for work performed under the Project Maintenance and Modification Agreement and only for Fossil and Hydro Power, there is a requirement that 8 ½ cents for each hour worked be contributed to the Boilermaker's MOST Program. (See LRS-41.)

OTHER PAYMENTS

For Construction, Maintenance, and Modification of Transmission Facilities Only

Employees engaged in construction, maintenance, and modification of transmission facilities, whose temporary work location is changed throughout the work area, will be eligible for a subsistence allowance of \$42 (no receipt will be required) for each night when the foreman/supervisor determines that the temporary work location board town is more than 55 miles from the city or town of the employee's permanent residence. In determining mileage, each contractor will utilize a certified program. The foreman/supervisor will determine, to the best of his/her knowledge, the employee did utilize temporary lodging. Employees will be eligible for payment of the travel subsistence allowance if pay is received for productive work on the day following the night of being in travel status and who utilize temporary accommodations. The employee and foreman/supervisor will sign the timesheet certifying that all eligibility requirements are met for the travel subsistence. At any time the contractor specifies that overnight lodging is required, the employee will be paid the subsistence allowance for each night lodging is obtained and occupied while working on that assignment regardless of distance to permanent residence.

Prior to the wage conference in December 2004, either party may give a 30-day notice requiring a termination of this agreement which would require a return to the original agreement language as existed during 2003. Such change would be effected to coincide with the change in the wage package.

APPRENTICE WAGE RATE SCHEDULE

This structure is intended to help facilitate the identification of the proper wage rates for apprentices. The following ranges accommodate any local apprentice program provided the program has a minimum of four periods and a maximum of ten periods. Apprentice wage rates are determined by selecting the schedule of periods listed below that corresponds to the number of periods in the applicable craft apprenticeship program, locate the period which reflects the current period of the apprentice to be paid, and then applying the percentage listed for that period to the journeyman wage rate for the craft as listed in the preceding schedule of wage rates. NOTE: To determine the appropriate pay for apprentices, the percentages listed below should be applied to journeyman rates published in this wage document. The health and welfare, pension, and annuity contributions identified in the published wage document should be added to the wages as determined in the previous sentences to determine the total package for any given apprentice. This predetermined total wage package may then be used by the local unions to redistribute the wages and fringes as specified in Article XII of the Project Maintenance and Modification Agreement and Article X of the Construction Project Agreement.

All crafts (except Boilermaker)

$\frac{1}{57\%}$	$\frac{2}{70\%}$	$\frac{3}{80\%}$	$\frac{4}{90\%}$
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$\frac{1}{57\%}$	$\frac{2}{66\%}$	$\frac{3}{74\%}$	$\frac{4}{85\%}$	$\frac{5}{90\%}$
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$\frac{1}{57\%}$	$\frac{2}{63\%}$	$\frac{3}{69\%}$	$\frac{4}{76\%}$	$\frac{5}{83\%}$	$\frac{6}{90\%}$
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$\frac{1}{57\%}$	$\frac{2}{62\%}$	$\frac{3}{67\%}$	$\frac{4}{72\%}$	$\frac{5}{78\%}$	$\frac{6}{84\%}$	$\frac{7}{90\%}$
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$\frac{1}{57\%}$	$\frac{2}{61\%}$	$\frac{3}{65\%}$	$\frac{4}{70\%}$	$\frac{5}{75\%}$	$\frac{6}{80\%}$	$\frac{7}{85\%}$	$\frac{8}{90\%}$
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$\frac{1}{57\%}$	$\frac{2}{60\%}$	$\frac{3}{64\%}$	$\frac{4}{68\%}$	$\frac{5}{72\%}$	$\frac{6}{76\%}$	$\frac{7}{80\%}$	$\frac{8}{84\%}$	$\frac{9}{90\%}$
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$\frac{1}{57\%}$	$\frac{2}{60\%}$	$\frac{3}{63\%}$	$\frac{4}{66\%}$	$\frac{5}{70\%}$	$\frac{6}{74\%}$	$\frac{7}{78\%}$	$\frac{8}{82\%}$	$\frac{9}{86\%}$	$\frac{10}{90\%}$
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Boilermaker only:

		Wage Rate	H&W ¹	Pension ¹	Annuity ¹
1 st Period (0-1,000 hrs.)	(75%)	19.58	5.77	.25	1.25
2 nd Period	(80%)	20.88	5.77	4.07	1.50
3 rd Period	(85%)	22.19	5.77	4.07	1.50
4 th Period	(90%)	23.49	5.77	4.07	1.50
5 th Period	(95%)	24.80	5.77	4.07	1.50
6 th Period	(95%)	24.80	5.77	5.00	1.50

EXHIBIT B
(This Exhibit applies only to contracts covered by Project Agreements.)

HOURLY CONTRIBUTION TO APPRENTICESHIP/TRAINING FUNDS
Effective First Pay Period Beginning After January 1, 2004

I. APPRENTICESHIP FUNDS

(For rules governing contributions to apprenticeship programs, see LRS-16.)

Crafts for which contributions are paid on all classifications within the craft:

Asbestos Workers	19 cents per hour
(Exception: Contribution for Asbestos Abatement Worker classifications only is 25 cents per hour to the Asbestos Workers Regional Local 207 Training Program.)	
Boilermakers	40 cents per hour
Carpenters	44 cents per hour
Electrical Workers	1.52% of hourly rate
Millwrights.....	45 cents per hour
Iron Workers.....	30 cents per hour
Painters	25 cents per hour
Sheet Metal Workers.....	36 cents per hour
Sprinkler-Fitters.....	25 cents per hour
Steamfitters	39 cents per hour

Crafts for which contributions are paid on journeyman and above classifications within the craft:

Bricklayers.....	14 cents per hour
Cement Masons	11 cents per hour
Operating Engineers	31 cents per hour
Roofers.....	8 cents per hour

II. TRAINING FUNDS

Laborers - In lieu of contributions to an apprentice fund, for all classifications represented by the Laborers' International Union of North America (LIUNA), a 6-cent contribution is made to the LIUNA LECET Fund and 26 cents to the LIUNA Training Fund. (For instructions, see **LRS-47**.)

TVA 1851

LABOR PROVISIONS

Prevailing Wage Rate

The contractor is required to pay, and to ensure that each subcontractor pays, not less than the prevailing rate of wages for work of a similar nature prevailing in the vicinity to all laborers and mechanics performing work under this contract. TVA's determination of prevailing rates of wages and fringe benefits are listed in either Exhibit A - Wage Schedule or Exhibit S-1 - Wage Schedule which may be modified by TVA or otherwise modified in accordance with this contract from time to time. The contractor is required to post the appropriate wage schedule in a prominent location at each job site where employees pass by not less than once per month. *(Note: Wage rates are normally reexamined by TVA annually, and revisions in the wage scale usually become effective near the beginning of each calendar year. Exhibit A - Wage Schedule covers construction of new generation capacity or transmission facilities, or maintenance and modification of existing generating plants or transmission facilities. Exhibit S-1 - Wage Schedule covers construction, maintenance, modification, or additions to offices, other buildings, or facilities. Questions regarding application of these exhibits should be directed to your Contract Officer.)*

Covered Work

The term "employee" used throughout this document applies only to persons employed to perform laborer or mechanic-type work, commonly referred to as trades and labor (blue-collar) work.

This document applies to TVA work performed by contractors or subcontractors of any tier on real property in possession or control of TVA. This document also applies to the following work performed by contractors or subcontractors on any tier: roadside production of material; all hauling of material from roadside quarries and pits, from railroad or water delivery points, or from local sources of production to the site of the work; and concrete proportioning plants; from which material is used wholly on this contract or on contracts under the supervision of TVA.

Apprenticeship Classifications

The apprentice classifications and rates listed in the appropriate wage schedule of this document may be applied only to persons who are duly registered in a bona fide apprenticeship program that is (1) registered with a state apprenticeship agency recognized by the United States Department of Labor; (2) registered with the Bureau of Apprenticeship and Training, United States Department of Labor; or (3) an otherwise bona fide apprenticeship program as determined by the contracting officer, whose decision on this issue shall be final. TVA reserves the right to request a copy of and to review the contractor's apprenticeship program to ensure that it is in fact a bona fide program that provides a clear program to teach journeyman skills to unskilled workers.

Classifications and Rates of Pay

Classifications not contained in the wage schedule with this document shall not be used by the contractor without advance permission of the contracting officer. Any question as to the correct classification, rates, and benefits which apply to individual employees of the contractor will be determined by the contracting officer, whose decision shall be final and conclusive in the absence of a decision by the Secretary of Labor. If any dispute arises as to the prevailing rates of wages, the question shall be referred for determination to the Secretary of Labor, whose decision shall be final. In the absence of a decision of the Secretary of Labor, the prevailing rates of wages for the different classifications set out in the wage schedule with this document (as it may be modified by TVA from time to time) shall be considered by all parties to be the minimum rates of wages that shall be paid by the contractor for the work performed under this contract.

No individual shall be employed as a skilled or unskilled laborer on this contract except on a wage basis. This should not be construed to prohibit the subcontracting of work or the rental of trucks or other equipment if this is

otherwise permitted under this contract. Any individuals employed to perform work under such subcontracts or rental agreements will be paid on a wage basis in accordance with the provisions of the contract. No charge for food, gasoline, supplies, repairs, or equipment rental shall cause any deduction from the minimum amounts due to be paid to an individual performing work under this contract.

The hourly rates shown in the wage schedule with this document are for straight-time work.

A contractor or subcontractor may discharge its minimum wage obligations for the payment of specified straight-time wages and fringe benefits by paying in cash, making payments or incurring costs for fringe benefits contained in the wage schedule with this document, or by a combination thereof, provided overtime is based on the straight-time base rate as set out in the paragraph entitled "Overtime Compensation Provisions."

Multiple Shifts

When more than one shift is worked, employees on the first shift work 8 hours and are paid for 8 hours; employees on the second shift receive 8 hours' pay for 7-1/2 hours worked; employees on the third shift receive 8 hours' pay for 7 hours worked. The hours worked are exclusive of lunch periods. With approval of the TVA jobsite representative, straight-time shifts for more than 8-hour periods may be scheduled but for no less than 3 consecutive workdays. On those occasions, the last hour of second or third shifts is paid but not worked. Employees will be given 48 hours' notice prior to a change in their straight-time shift schedule.

Overtime

This contract requires the contractor or subcontractor to pay overtime rates of pay to employees for all hours worked in excess of 40 hours in any workweek. The overtime rate of pay is not less than 1-1/2 times the straight-time rate of pay for all hours over 40 in a workweek.

The overtime rate is 2 times the straight-time rate of pay for all hours worked on the employee's seventh day; on the following holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day; and if an employee is required to work for more than 16 hours without a nonwork period of at least 6 continuous hours. If any of the listed holidays fall on a Sunday, the following day is regarded as the official holiday.

If any hours worked fulfill the conditions for 2 or more overtime rates, only the higher overtime rate applies.

The contractor and any subcontractor responsible for violating the compensation provisions shall be liable to any affected employee for the employee's unpaid wages plus interest thereon from the date such wages should have been paid until they are paid at the rate prescribed for contractor claims under the Contract Disputes Act. The contracting officer may withhold, or cause to be withheld, from any monies due the contractor and/or subcontractor the full amount of wages required by this contract, plus interest as provided herein, and may distribute such withheld monies directly to employees who have not been paid in accordance with these provisions.

The payment of wages shall be by cash, negotiable instruments payable on demand, or the additional forms of compensation for which deductions are permissible as referenced in the paragraph entitled "Payroll Deductions."

Labor Payroll Records

For contracts over \$2,000 for the construction, alteration, repair, painting, or decoration of public buildings or works, the Secretary of Labor prescribes regulations (detailed in Part 3, Title 29, Code of Federal Regulations) covering persons employed to perform trades and labor (blue-collar) work. In accordance with these regulations, the contractor and each subcontractor shall preserve its weekly payroll records for a period of 3 years from the date of completion of the contract. The payroll records shall accurately and completely show the name, social security number, and address of each employee; the employee's correct classification, rate of pay, daily and weekly number of hours worked, deductions made, and actual wages paid; and any other information required by the regulations. Upon request, the contractor shall furnish, in paper or electronic form, weekly payroll records of contractors and subcontractors for inspection on a weekly or as-requested basis to the designated TVA jobsite representative, the contracting officer, other authorized representatives of TVA, or the Department of Labor.

Weekly Statement of Compliance

In accordance with Part 3, Title 29, Code of Federal Regulations, within seven days after the regular payment date of each payroll period, the contractor and each subcontractor is required to furnish to TVA's Contracting Officer a Weekly Statement of Compliance (form TVA 916). The Weekly Statement of Compliance shall certify that (1) the contractor or subcontractor has paid each of its employees engaged in work covered by this contract the full weekly wages earned as shown on the payroll; (2) no rebates have been or will be made either directly or indirectly to or on behalf of the contractor or subcontractor from the full weekly wages earned as shown on the payroll; and (3) no deductions (other than the permissible deductions defined in Part 3, Title 29, Code of Federal Regulations) have been or will be made either directly or indirectly from the full weekly wages earned as shown on the payroll. This statement shall be signed by the contractor or subcontractor or by an authorized officer or employee of the contractor or subcontractor who supervises the payment of wages. The contractor shall include appropriate provisions in all subcontracts to ensure fulfillment of these requirements.

The willful falsification of any payrolls and statements may subject the contractor or subcontractor to civil or criminal prosecution under Section 1001 of Title 18 and Section 3729 of Title 31 of the United States Code.

Payroll Deductions

Refer to Part 3, Title 29, Code of Federal Regulations, for detailed definitions of the payroll deductions which are (1) permissible without application to or approval of the Secretary of Labor or (2) permissible with the approval of the Secretary of Labor. Also defined are the requirements for making application for the approval of the Secretary of Labor.

Fees

No fee of any kind shall be asked or accepted by the contractor or any of its agents from any person who obtains work on the project, nor shall any person be required to pay any fee to any person or agency obtaining employment for the contractor on the project.

Fringe Benefits

In no event will the contractor or subcontractor recapture all or any part of the fringe benefit contributions paid directly to an employee or paid into any fund or in any way divert such contributions to the contractor's or subcontractor's own use or benefit.

Labor Cost Adjustment

Wage schedules (hereinafter referred to as "TVA wage document") are usually revised around the first of each calendar year to reflect changes in the prevailing rates of wages and related benefits. If any revisions are made by TVA which are applicable to the TVA wage document attached to this contract between the date of the contractor's offer and the date stipulated for completion of the contract, or any extension thereof authorized by TVA in accordance with the Delays and Remedies provision, the appropriate adjustment, increase or decrease, in the amount TVA is required to pay the contractor for field labor shall be made by TVA to reflect the revisions of the various wage classification rates as follows:

- (a) For each classification actually used in work on the contract and with respect to which a revision is made in the wage rate or related benefits listed in the TVA wage document, the number of hours worked during the period in which such revision is effective shall be determined from the certified payrolls maintained by the contractor or its subcontractor; and the increase or decrease in the respective wage rate or benefit shall be applied to this number of hours. Such increases or decreases shall include adjustments for FICA, unemployment insurance, and workers' compensation insurance which correspond to revisions of the TVA wage document; and such adjustments shall be assessed on the basis of changes in individual pay and not as a percentage of the contractor's total payroll. The contractor shall submit (1) labor cost adjustment billings to the Accounts Payable Department and (2) the Weekly Statement of Compliance (form TVA 916) to TVA's Contracting Officer. The contract price shall be adjusted based on the total net increase or decrease resulting from all such changes under the various classifications in the wage document. This labor cost adjustment shall be made regardless of the level of wage rates and other benefits actually paid by the contractor or subcontractor, either before or during the period of work under this contract.

- (b) Any revisions made in the TVA wage document which are not made applicable to this contract shall not give rise to any adjustment under this provision.
- (c) This provision is applicable only to work which is subject to the TVA wage document, and this provision is in lieu of all other adjustments for changes in the cost of such work.
- (d) In the event the contracting officer orders changes in the drawings or specifications, extra work, or other changes in the contract which result in a change in the field labor performed on a TVA jobsite and a change in the contract price is provided, such changes to the contract price shall be subject to field labor cost adjustment as provided herein. Since this cost adjustment will apply and will be calculated from the TVA wage document which was part of the original contract, the contractor's quotation for a change which involves any increase in the field labor shall be reduced to reflect any amount of cost adjustment the contractor will be entitled to under this provision.
- (e) Billing of adjustments under this provision shall be made at least every month.
- (f) TVA shall have the right to audit, without restrictions, the supporting data for all labor cost adjustment billings, and any payments to the contractor which are not supported by the contractor's books, records, documents, or other valid evidence shall be refunded to TVA.

Miscellaneous

No skilled or unskilled labor shall be charged for any tools used in performing the employee's respective duties.

Every employee on the work covered by this contract shall be permitted to lodge, board, and trade where and with whom the employee elects; and neither the contractor nor its agents, nor its employees shall directly or indirectly require as a condition of employment that an employee shall lodge, board, or trade at a particular place or with a particular person.

No charge shall be made for any transportation furnished by the contractor or its agents to any person employed on the work.

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